

ASSEMBLY BILL

No. 1851

Introduced by Assembly Member Coto

January 12, 2006

An act to amend Section 12693.325 of the Insurance Code, relating to health care, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1851, as introduced, Coto. Healthy Families Program: application assistance.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health services to an eligible person. Under the program, eligibility is based upon an application submitted to the board. Existing law authorizes a participating health, dental, or vision plan that is in good standing to provide application assistance directly to an applicant acting on behalf of an eligible person who telephones, writes, or contacts the plan in person, as specified, and requests application assistance. Existing law, which became inoperative on January 1, 2006, also authorized a participating health, dental, or vision plan to provide application assistance directly to an applicant under certain conditions, including when the assistance is provided upon referral from a government agency, school, or school district.

This bill would delete the January 1, 2006, inoperative date and thereby authorize a participating health, dental, or vision plan to provide application assistance directly to an applicant under those conditions, including when the assistance is provided upon referral from a government agency, school, or school district.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12693.325 of the Insurance Code is
2 amended to read:

3 12693.325. (a) (1) Notwithstanding any provision of this
4 chapter, a participating health, dental, or vision plan that is
5 licensed and in good standing as required by subdivision (b) of
6 Section 12693.36 may provide application assistance directly to
7 an applicant acting on behalf of an eligible person who
8 telephones, writes, or contacts the plan in person at the plan's
9 place of business, or at a community public awareness event that
10 is open to all participating plans in the county, or at any other site
11 approved by the board, and who requests application assistance.

12 (2) A participating health, dental, or vision plan may also
13 provide application assistance directly to an applicant only under
14 the following conditions:

15 (A) The assistance is provided upon referral from a
16 government agency, school, or school district.

17 (B) The applicant has authorized the government agency,
18 school, or school district to allow a health, dental, or vision plan
19 to contact the applicant with additional information on enrolling
20 in free or low-cost health care.

21 (C) The State Department of Health Services approves the
22 applicant authorization form in consultation with the board.

23 (D) The plan may not actively solicit referrals and may not
24 provide compensation for the referrals.

25 (E) If a family is already enrolled in a health plan, the plan that
26 contacts the family cannot encourage the family to change health
27 plans.

28 (F) The board amends its marketing guidelines to require that
29 when a government agency, school, or school district requests
30 assistance from a participating health, dental, or vision plan to
31 provide application assistance, that all plans in the area shall be
32 invited to participate.

33 (G) The plan abides by the board's marketing guidelines.

1 (b) A participating health, dental, or vision plan may provide
2 application assistance to an applicant who is acting on behalf of
3 an eligible or potentially eligible child in any of the following
4 situations:

5 (1) The child is enrolled in a Medi-Cal managed care plan and
6 the participating plan becomes aware that the child's eligibility
7 status has or will change and that the child will no longer be
8 eligible for Medi-Cal. In those instances, the plan shall inform
9 the applicant of the differences in benefits and requirements
10 between the Healthy Families Program and the Medi-Cal
11 program.

12 (2) The child is enrolled in a Healthy Families Program
13 managed care plan and the participating plan becomes aware that
14 the child's eligibility status has changed or will change and that
15 the child will no longer be eligible for the Healthy Families
16 Program. When it appears a child may be eligible for Medi-Cal
17 benefits, the plan shall inform the applicant of the differences in
18 benefits and requirements between the Medi-Cal program and the
19 Healthy Families Program.

20 (3) The participating plan provides employer-sponsored
21 coverage through an employer and an employee of that employer
22 who is the parent or legal guardian of the eligible or potentially
23 eligible child.

24 (4) The child and his or her family are participating through
25 the participating plan in COBRA continuation coverage or other
26 group continuation coverage required by either state or federal
27 law and the group continuation coverage will expire within 60
28 days, or has expired within the past 60 days.

29 (5) The child's family, but not the child, is participating
30 through the participating plan in COBRA continuation coverage
31 or other group continuation coverage required by either state or
32 federal law, and the group continuation coverage will expire
33 within 60 days, or has expired within the past 60 days.

34 (c) A participating health, dental, or vision plan employee or
35 other representative that provides application assistance shall
36 complete a certified application assistant training class approved
37 by the State Department of Health Services in consultation with
38 the board. The employee or other representative shall in all cases
39 inform an applicant verbally of his or her relationship with the
40 participating health plan. In the case of an in-person contact, the

1 employee or other representative shall provide in writing to the
2 applicant the nature of his or her relationship with the
3 participating health plan and obtain written acknowledgment
4 from the applicant that the information was provided.

5 (d) A participating health, dental, or vision plan that provides
6 application assistance may not do any of the following:

7 (1) Directly, indirectly, or through its agents, conduct
8 door-to-door marketing or telephone solicitation.

9 (2) Directly, indirectly, or through its agents, select a health
10 plan or provider for a potential applicant. Instead, the plan shall
11 inform a potential applicant of the choice of plans available
12 within the applicant's county of residence and specifically name
13 those plans and provide the most recent version of the program
14 handbook.

15 (3) Directly, indirectly, or through its agents, conduct mail or
16 in-person solicitation of applicants for enrollment, except as
17 specified in subdivision (b), using materials approved by the
18 board.

19 (e) A participating health, dental, or vision plan that provides
20 application assistance pursuant to this section is not eligible for
21 an application assistance fee otherwise available pursuant to
22 Section 12693.32, and may not sponsor a person eligible for the
23 program by paying his or her family contribution amounts or
24 copayments, and may not offer applicants any inducements to
25 enroll, including, but not limited to, gifts or monetary payments.

26 (f) A participating health, dental, or vision plan may assist
27 applicants acting on behalf of subscribers who are enrolled with
28 the participating plan in completing the program's annual
29 eligibility review package in order to allow those applicants to
30 retain health care coverage.

31 (g) Each participating health, dental, or vision plan shall
32 submit to the board a plan for application assistance. All scripts
33 and materials to be used during application assistance sessions
34 shall be approved by the board and the State Department of
35 Health Services.

36 (h) Each participating health, dental, or vision plan shall
37 provide each applicant with the toll-free telephone number for
38 the Healthy Families Program.

39 (i) When deemed appropriate by the board, the board may
40 refer a participating health, dental, or vision plan to the

1 Department of Managed Health Care or the State Department of
2 Health Services, as applicable, for the review or investigation of
3 its application assistance practices.

4 (j) The board shall evaluate the impact of the changes required
5 by this section and shall provide a biennial report to the
6 Legislature on or before March 1 of every other year. To prepare
7 these reports, the State Department of Health Services, in
8 cooperation with the board, shall code all the application packets
9 used by a managed care plan to record the number of applications
10 received that originated from managed care plans. The number of
11 applications received that originated from managed care plans
12 shall also be reported on the board's Web site. In addition, the
13 board shall periodically survey those families assisted by plans to
14 determine if the plans are meeting the requirements of this
15 section, and if families are being given ample information about
16 the choice of health, dental, or vision plans available to them.

17 (k) Nothing in this section shall be seen as mitigating a
18 participating health, dental, or vision plan's responsibility to
19 comply with all federal and state laws, including, but not limited
20 to, Section 1320a-7b of Title 42 of the United States Code.

21 ~~(l) Paragraph (2) of subdivision (a) shall become inoperative~~
22 ~~on January 1, 2006.~~

23 SEC. 2. This act is an urgency statute necessary for the
24 immediate preservation of the public peace, health, or safety
25 within the meaning of Article IV of the Constitution and shall go
26 into immediate effect. The facts constituting the necessity are:

27 In order to enable participating health, dental, or vision plans to
28 provide application assistance to applicants under the Healthy
29 Families Program as soon as possible, it is necessary that this act
30 take effect immediately.